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LISTING STATEMENT No. 2281

LISTED FEBRUARY 1, 1968
14,790,600 Common Shares without par value, including 1,947,740 held in the treasury and 37,400 reserved for issuance.
Stock Symbol "AMP".
Dial Quotation Number 1212.
Post Section 11.

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

AMERADA PETROLEUM CORPORATION

Incorporated under the Laws of the State of Delaware,
United States of America on February 7, 1920

CAPITALIZATION AS AT DECEMBER 1, 1967

CAPITAL STOCK	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
Common shares without par value	16,000,000	12,805,460	14,790,600 ⁽¹⁾
FUNDED DEBT	None		

⁽¹⁾ Includes 1,947,740 shares previously issued, but repurchased by the Company and now held in its Treasury and 37,400 shares reserved for issue upon the exercise of outstanding options granted under the Company's incentive stock option plan for officers and key employees.

December 26, 1967

1. APPLICATION

AMERADA PETROLEUM CORPORATION (hereinafter called the "Company") hereby makes application for the listing on The Toronto Stock Exchange of 14,790,600 shares of its Common Stock, without par value, of which, at December 1, 1967, 14,753,200 shares (including 1,947,740 shares held in the Company's treasury) have been issued and are fully paid and non-assessable and 12,805,460 are presently outstanding. The remaining 37,400 shares of Common Stock included in this application have been reserved for issuance, out of the Company's authorized and unissued stock, upon the exercise of options granted under the Company's incentive stock option plan for officers and key employees (see Incentive Stock Option Plan below).

2. HISTORY

The Company was incorporated under the name Amerada Corporation on February 7, 1920, under the Laws of the State of Delaware, United States of America. On December 24, 1941, the Company merged into itself its principal operating subsidiary, Amerada Petroleum Corporation, and changed its name to Amerada Petroleum Corporation.

3. NATURE OF BUSINESS

The Company and its subsidiaries are engaged principally in the exploration for oil and gas and the production and sale of crude oil, natural gas and natural gas liquids.

The Company conducts oil and gas exploration and production operations in the principal oil and gas producing areas of the United States and Canada. Through subsidiaries, it also carries on exploration and extensive production operations in Libya and is currently engaged in the exploration for oil and gas in the United Kingdom and Norwegian portions of the North Sea and in Australia. In addition, investigations of petroleum potential of many areas of the world are continuously being conducted.

The Company is also engaged in uranium exploration and has been studying various phases of oceanography with particular emphasis on offshore minerals. Sulphur is produced at some of the Company's gas processing plants (see "Record of Properties").

Through a subsidiary the Company maintains a research laboratory and organization in Tulsa, Oklahoma which develops and manufactures electronic and electromechanical instruments to aid in the exploration for petroleum and minerals.

The following table shows the net daily production of crude oil, natural gas liquids and natural gas by the Company during each of the last five years and for the first nine months of 1967.

	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>First Nine Months 1967</u>
	(Barrels per Day) ⁽¹⁾					
Net Crude Oil Production ⁽²⁾ :						
United States	72,876	74,645	76,421	78,366	84,536	83,543
Canada	7,924	7,802	7,956	8,971	9,012	10,034
Total United States and Canada	80,800	82,447	84,377	87,337	93,548	93,577
Libya ⁽³⁾	16,953	50,068	92,115	148,707	188,137	177,563
Total	97,753	132,515	176,492	236,044	281,685	271,140 ⁽⁴⁾
Net Natural Gas Liquids Production:	3,455	3,652	4,077	4,403	4,964	5,468
	(Thousand Cubic Feet per Day)					
Net Natural Gas Production ⁽²⁾ ⁽⁵⁾ :	302,000	338,000	375,000	408,000	419,000	399,000

Notes:

- (1) A barrel is 42 U.S. gallons.
- (2) Net production represents the Company's share of gross production from properties in which it owns an interest, after deducting co-owner and royalty interests of others and production attributable to outstanding production payment interests.
- (3) The Company's/Shell* joint in 1966 and thereafter; the Company sole in prior years. The Company's share of the daily production in 1966 was 95,271 barrels and for the first nine months of 1967 was 113,640 barrels. The figure for 1962 represents the annual average, although production did not commence until May of that year. (See Record of Properties for description of the arrangement with Shell).
- (4) Decline in daily production due in Libya to the Middle East crisis and in North Dakota to refinery shut-down for repairs and maintenance.
- (5) Gas production does not include gas vented or flared.

* A member of the Royal Dutch Shell Group.

In North America, the Company's crude oil is sold principally on a month-to-month division order basis and its natural gas liquids are sold principally under contracts having a duration of not more than one year. Natural gas is sold chiefly under long-term contracts.

The Company and its subsidiaries employ approximately 2,100 persons.

4. INCORPORATION AND CHANGES IN CAPITALIZATION

The Company was incorporated under the Laws of the State of Delaware, United States of America as Amerada Corporation on February 7, 1920, with an authorized capital stock of 25,000 shares of the par value of \$100 each.

By amendment dated August 30, 1920, the authorized capital stock was increased to 500,000 shares of the par value of \$10 each.

By amendment dated February 7, 1923, the authorized capital stock was increased to 600,000 shares of the par value of \$10 each.

By amendment dated February 6, 1926, the authorized capital stock was changed to 1,000,000 shares without nominal or par value.

By amendment dated December 5, 1941, the purpose clause of the Company's Certificate of Incorporation was broadened and by Certificate of Ownership filed December 24, 1941, the Company merged into itself its principal operating subsidiary and the Company changed its name to Amerada Petroleum Corporation.

By amendment dated May 21, 1946, the authorized capital stock was increased to 1,844,150 shares without nominal or par value.

By amendment dated May 18, 1951, the authorized capital stock was increased to 4,000,000 shares without nominal or par value.

By amendment dated May 10, 1955, the authorized capital stock was increased to 8,000,000 shares without nominal or par value.

By amendment dated May 9, 1963, the authorized capital stock was increased to 16,000,000 shares without nominal or par value.

5. SHARES ISSUED DURING PAST TEN YEARS

<u>Date of Issue</u>						<u>Number of shares</u>	<u>Average amount per share received (U.S. dollars)</u>	<u>Total amount received (U.S. dollars)</u>	<u>Purpose</u>
1957	....	....	....	....	....	7,220*	\$44.975*	\$ 324,729	Stock options
1958	....	....	....	....	....	600*	48.45*	29,070	Stock options
1959	....	....	....	....	....	None	—	—	—
1960	....	....	....	....	....	None	—	—	—
1961	....	....	....	....	....	None	—	—	—
1962	....	....	....	....	....	17,040*	43.795*	746,263	Stock options
1963 (January 1, 1963 to May 9, 1963)	....	....	....	....	....	13,080*	38.93*	509,192	Stock options
1963	....	....	....	....	....	6,328,370	—	—	Two for one stock split
1963 (May 10, 1963 to December 31, 1963)	....	....	....	....	....	13,370	40.24	538,048	Stock options
1964	....	....	....	....	....	57,010	43.55	2,483,032	Stock options
1965	....	....	....	....	....	30,460	44.37	1,351,360	Stock options
1966	....	....	....	....	....	17,355	44.99	780,743	Stock options
1967 (to November 1, 1967)	....	....	....	....	....	30,525	49.66	1,515,865	Stock options

* Adjusted for two-for-one stock split of May 9, 1963.

6. STOCK PROVISIONS AND VOTING POWERS

The only class of stock which the Company is authorized to issue is Common Stock, without par value. Holders of Common Stock are entitled to receive such dividends as are declared by the Board of Directors, to one vote for each share upon all matters voted upon by stockholders, and to share ratably in assets available for distribution upon any liquidation. No conversion rights or redemption or sinking fund provisions are applicable to the Common Stock. The Board of Directors is authorized from time to time to sell unissued stock of the Company without first offering the same to the stockholders. The Common Stock of the Company presently issued is fully paid and non-assessable and the shares of Common Stock offered under the outstanding Employee Incentive Stock options will, when issued and paid for, be fully paid and non-assessable by the Company.

7. DIVIDEND RECORD

Dividends paid by the Company on its Capital Stock for ten preceding years expressed in U.S. dollars are as follows:

<u>Payment date</u>	<u>Rate per share</u>	<u>Amount</u>
January 31, 1958	\$.25*	\$3,156,505.00
April 30, 1958	.25*	3,156,505.00
July 31, 1958	.25*	3,156,505.00
October 31, 1958	.25*	3,156,655.00
January 30, 1959	.25*	3,156,655.00
April 30, 1959	.25*	3,156,655.00
July 31, 1959	.25*	3,156,655.00
October 30, 1959	.25*	3,156,655.00
January 29, 1960	.25*	3,156,655.00
April 29, 1960	.25*	3,156,655.00
July 29, 1960	.25*	3,156,655.00
October 31, 1960	.325*	4,103,651.50
January 31, 1961	.325*	4,103,651.50
April 28, 1961	.325*	4,103,651.50
July 31, 1961	.325*	4,103,651.50
October 31, 1961	.375*	4,734,982.50
January 31, 1962	.375*	4,736,257.50
April 30, 1962	.375*	4,738,822.50
July 31, 1962	.375*	4,739,122.50
October 31, 1962	.375*	4,741,147.50
January 31, 1963	.425*	5,373,980.50
April 30, 1963	.425*	5,377,584.50

* Adjusted for two-for-one stock split of May 9, 1963.

<u>Payment date</u>	<u>Rate per share</u>	<u>Amount</u>
STOCK SPLIT TWO-FOR-ONE EFFECTIVE MAY 9, 1963		
July 30, 1963	.50	6,332,855.00
October 31, 1963	.50	6,334,730.00
January 31, 1964	\$.50	\$6,336,730.00
April 30, 1964	.50	6,351,570.00
July 31, 1964	.50	6,357,415.00
October 31, 1964	.60	7,634,958.00
January 29, 1965	.60	7,641,222.00
April 30, 1965	.60	7,648,602.00
July 30, 1965	.60	7,649,718.00
October 29, 1965	.70	8,929,431.00
January 31, 1966	.70	8,930,656.00
April 29, 1966	.70	8,932,896.00
July 29, 1966	.70	8,939,479.50
October 31, 1966	.75	9,578,276.25
January 31, 1967	.75	9,582,251.25
April 28, 1967	.75	9,598,301.25
July 31, 1967	.75	9,603,645.00
October 31, 1967	.75	9,604,095.00

8.

RECORD OF PROPERTIES

At September 30, 1967, the Company held full or part interest in 7,753,000 acres of oil and gas leases, mineral rights, royalties, etc. in the United States, located principally in Texas, New Mexico, Oklahoma, North Dakota, Kansas, Louisiana, Florida, California, Montana, Wyoming, Utah, Ohio and South Dakota. In Canada at September 30, 1967, the Company held full or part interest in 6,374,000 acres of oil and gas leases and exploration rights. Esperanza Petroleum Corporation, in which the Company owns a 68% stock interest, has a small net profits interest in productive acreage in Venezuela.

The Company, through a subsidiary, together with a company of the Royal Dutch/Shell Group, owns an undivided one-third interest in twelve petroleum concessions covering 19,551,000 acres in the Kingdom of Libya.

The Company owns an undivided one-half interest in such Company/Shell holdings subject to the reservation by the Company of the right to produce for its own benefit certain quantities of oil in excess of one-half of the total Company/Shell production as are required to produce for the Company, through the sale of crude oil by the Company to Shell, a total profit for each year, the amount of which depends on various factors, including (a) realizations by companies of the Royal Dutch/Shell Group from their major refining and marketing operations in the natural market (at present — Western Europe) for the principal refined products which can be derived from the jointly produced oil, (b) volume of oil jointly produced by the Company and Shell and (c) the Company's crude oil production costs in Libya. The Company and Shell have agreed to produce jointly crude oil from the Libyan holdings and Shell has agreed to purchase the Company's share of the jointly produced oil until the joint production from October 1, 1967, totals 1,781,103,203 barrels. The Company and Shell will thereafter each own separately an undivided one-sixth interest in the Libyan holdings.

In the United Kingdom portion of the North Sea, three substantial gas discoveries were made by three exploratory wells drilled in 1966 by the Company and its associates on extensive and widely distributed acreage, and since the first of the year nine additional gas wells have been drilled on this acreage. The Company owns an interest of approximately 23% in these wells and in each of the 60,000 acre blocks on which they were drilled. The Company holds an average 21% interest in 2,800,000 acres in the United Kingdom offshore area, its interest being about 23% in nearly 2,100,000 acres and 16 $\frac{2}{3}$ % in about 700,000 acres. Negotiations for the sale of the North Sea gas are in progress with the British Gas Council, a government body which controls the purchase and distribution of natural gas in the United Kingdom.

In the Norwegian portion of the North Sea, the Company holds a 28% interest in production licenses covering 1,200,000 acres, on which several prospects have been located. Seismic work is continuing in this area, and the first exploratory drilling is scheduled for the near future.

An exploration program is being conducted in Australia. The Company holds a 50% interest in a concession of about 3,700,000 acres on which exploratory drilling is planned for the near future.

At September 30, 1967, the Company was producing crude oil and gas or both from a total of 3,766 net wells (3,429 in the United States, 267 in Canada and 70 in Libya).

The Company has interests in 20 gas processing plants, of which the plant in Tioga, North Dakota produces approximately 60% of the Company's net production of natural gas liquids. For the first nine months of 1967, the Company's net production of natural gas liquids from the 20 plants averaged 5,468 barrels per day. In addition, an average of 176 long tons per day of sulphur were produced from these plants, approximately 72% of which came from the plant in Olds, Alberta, Canada.

Reserves. — Early in 1967 the Company retained the firm of DeGolyer and MacNaughton to make an appraisal of the Company's oil and gas reserves in the United States and Canada. The Company received from them the following report:

DeGOLYER AND MacNAUGHTON

5625 Daniels Avenue

Dallas, Texas

May 31, 1967

Amerada Petroleum Corporation
Amerada Building
Tulsa, Oklahoma 74102

Gentlemen:

Pursuant to your request, we have made an appraisal as of January 1, 1967, of the petroleum reserves of properties in the United States and Canada of Amerada Petroleum Corporation, hereinafter referred to as the "Corporation".

Although this is the first study we have made of these specific properties, we have been familiar for some time with most of the producing fields and areas in which the properties are located and previously have made numerous appraisals of properties of other companies in the same areas.

The office of the Corporation in Tulsa, Oklahoma was visited. We consulted freely with officers and employees and were given access to all accounts, records, and geological and engineering data that were desired for examination and use. The investigation just concluded is based on detailed analyses of these data together with other information from our files, and from official records filed with the various regulatory agencies. All factual data, as well as ownership in the properties, were accepted as represented.

We estimate the proved reserves, as of January 1, 1967, net to the interests of the Corporation, to be 607.6 million barrels of oil, condensate, and gas liquids, 2,867.7 billion cubic feet of gas, and 3.2 million long tons of sulphur. Approximately 85 percent of total liquid reserves, 82 percent of total gas reserves, and 38 percent of total sulphur reserves are considered developed by present wells.

In addition to the foregoing reserves, the Corporation is actively applying fluid injection programs to increase recoveries from certain fields and reservoirs, some of which either have not been started or have not progressed sufficiently to estimate with certainty the additional amount of oil these subject properties will produce. On the basis of performance of these projects to date, and the engineering studies that have been made, we are of the opinion that substantial additional oil will be recovered as a result of fluid injection programs, both operating and planned for future operation.

Submitted,

DeGolyer and MacNaughton

In addition to the proved reserves in the United States and Canada as reported by DeGolyer and MacNaughton, which closely approximate the Company's own estimates of reserves as carried on its books, and the substantial additional oil that, in the opinion of DeGolyer and MacNaughton, as well as in the opinion of the Company's engineers, will be recovered as a result of certain fluid injection projects, the Company has very substantial reserves of oil in Libya and of natural gas in the United Kingdom portion of the North Sea.

9. SUBSIDIARY COMPANIES

<u>Name and Year Incorporated</u>	<u>Jurisdiction of Incorporation</u>	<u>Nature of business</u>	<u>Percentage owned by the Company</u>
Amerada Petroleum Corporation of Argentina — 1967	Delaware	Petroleum	100%
Amerada Petroleum Corporation of Australia — 1960	Delaware	Petroleum	100%
Amerada Petroleum Corporation of Libya — 1955	Delaware	Petroleum	100%
Amerada Petroleum Corporation of Norway — 1965	Delaware	Petroleum	100%
Amerada Petroleum Corporation of Somalia — 1960	Delaware	Petroleum	100%
Amerada Petroleum Corporation of Spain — 1959	Delaware	Petroleum	100%
Amerada Petroleum Corporation of Switzerland — 1964	Delaware	Petroleum	100%
Amerada Petroleum Corporation of Tunisia — 1959	Delaware	Petroleum	100%
Amerada Petroleum Corporation of the United Kingdom Limited — 1964 ⁽¹⁾	Delaware	Petroleum	100%

<u>Name and Year Incorporated</u>	<u>Jurisdiction of Incorporation</u>	<u>Nature of business</u>	<u>Percentage owned by the Company</u>
Conorada Petroleum Corporation — 1948	Delaware	Petroleum	100%
Esperanza Petroleum Corporation — 1926 ⁽²⁾	Delaware	Petroleum	68%
Geophysical Research Corporation — 1925	New Jersey	Geophysical prospecting, manufacturing and research	100%
Victoria Trading Company Limited — 1951	Alberta, Canada	Communications and petroleum	100%

(1) Amerada Petroleum Corporation of the United Kingdom Limited owns 100% of the voting securities of Amerada Exploration Limited, incorporated under the laws of the United Kingdom, whose principal business is petroleum.

(2) Esperanza Petroleum Corporation owns 100% of the voting securities of Esperanza Exploration Company, incorporated under the laws of the State of Delaware, whose principal business purpose is petroleum.

10. FUNDED DEBT

None.

11. INCENTIVE STOCK OPTION PLAN

Under the stock option plan approved by the stockholders in 1952, there were outstanding at November 1, 1967, options to certain officers and key employees to purchase 37,400 shares of stock of the Company. The plan provided that no options would be granted after June 1, 1962; therefore, no shares are available for the granting of options. Shares to be delivered upon exercise of the options can be either authorized and unissued shares of the Company's Common Stock or shares of Common Stock held by the Company in its treasury. The options outstanding on November 1, 1967, are exercisable for periods up to 10 years from date of grant and were granted at the following prices and dates: 22,100 at \$39.40 on April 25, 1961; 2,800 at \$50.95 on April 9, 1962; 12,500 at \$44.80 on May 28, 1962.

12. LISTING ON OTHER STOCK EXCHANGES

The issued shares of the Common Stock of the Company are listed on the New York Stock Exchange in the United States. In addition, the shares of Common Stock reserved out of the authorized and unissued shares of the Company which are issuable under options granted under the Company's incentive stock option plan are authorized for listing, upon official notice of issuance thereof, on said Stock Exchange. Securities of the Company or its subsidiaries are listed on no other exchanges. Application is being made to list the Company's shares on the Montreal Stock Exchange.

13. STATUS UNDER SECURITIES ACTS

The Company has never made any filings with or obtained registration, approval or qualification by the Ontario Securities Commission or any corresponding government body or authority in Canada. The Common Stock of the Company is registered under the United States Securities Exchange Act of 1934. In addition, shares of common stock issuable upon the exercise of options granted under the Company's incentive stock option plan are currently registered under the United States Securities Act of 1933. A registration statement on Form S-8 (No. 2-21656) originally became effective on October 3, 1963 and Post-Effective Amendment No. 4 thereto became effective April 24, 1967.

14. FISCAL YEAR

The fiscal year of the Company ends December 31st in each year.

15. ANNUAL MEETINGS

The By-Laws of the Company provide that the annual meeting of the Company shall be held at the principal office of the Company in New York, New York, or at any other place on such date and time as fixed by the Board of Directors. The last annual meeting was held on May 1, 1967, in New York, New York.

16. HEAD AND OTHER OFFICES

The general offices are located at 51 West 51 Street, New York, New York 10019 and at 218 West Sixth Street, Tulsa, Oklahoma 74102. Offices are also located in Williston, North Dakota and Calgary, Alberta, Canada. Smaller offices are maintained in various cities throughout the oil producing areas of the United States and Canada.

17. **TRANSFER AGENTS**

The Bank of New York
20 Broad Street
New York, New York 10005

The Royal Trust Company
119 Adelaide Street West
Toronto 1, Ontario, Canada

The Royal Trust Company
Place D'Armes
Montreal, Quebec, Canada

Share certificates are mutually interchangeable at the offices of the above Transfer Agents.

18. **TRANSFER FEE**

No fee is charged on stock transfers other than Government stock transfer taxes.

19. **REGISTRARS**

The Company's Registrars are:

Manufacturers Hanover Trust Company
40 Wall Street
New York, New York 10015

Bank of Montreal
50 King Street West
Toronto 1, Ontario, Canada

Bank of Montreal
119 St. James Street West
Montreal, Quebec, Canada

20. **AUDITORS**

Independent certified public accountants for the Company are:

Messrs. Haskins & Sells
Two Broadway
New York, New York 10004

21. **OFFICERS AND DIRECTORS**

<u>Name</u>	<u>Address</u>	<u>Office Held</u>
C. S. Agey	Amerada Petroleum Corporation Post Office Box 2040 Tulsa, Oklahoma 74102	Vice-President
R. J. Burns	Amerada Petroleum Corporation 51 West 51 Street New York, New York 10019	Vice-President
Willard H. Carr	Carr Brothers, Inc. 52 West 52 Street New York, New York 10019	Director
C. N. Clark	Amerada Petroleum Corporation Post Office Box 2040 Tulsa, Oklahoma 74102	Auditor
John P. Hammond	Amerada Petroleum Corporation Post Office Box 2040 Tulsa, Oklahoma 74102	Executive Vice-President and Director
A. T. Jacobson	Amerada Petroleum Corporation Post Office Box 2040 Tulsa, Oklahoma 74102	President and Director
R. Keith Kane	Cadwalader, Wickersham & Taft One Wall Street New York, New York 10005	Director
Grant Keehn	The Equitable Life Assurance Society of the United States 1285 Avenue of the Americas New York, New York 10019	Director
K. M. Lawrence	Amerada Petroleum Corporation Post Office Box 2040 Tulsa, Oklahoma 74102	Vice-President

<u>Name</u>	<u>Address</u>	<u>Office Held</u>
J. E. Low	Amerada Petroleum Corporation Post Office Box 2040 Tulsa, Oklahoma 74102	Vice-President
Dean Mathey	The Bank of New York 7 West 51 Street New York, New York 10019	Director
E. H. McCollough	Amerada Petroleum Corporation Post Office Box 2040 Tulsa, Oklahoma 74102	Chairman of the Board of Directors and Director
Kenneth R. Murray	Amerada Petroleum Corporation 51 West 51 Street New York, New York 10019	Controller
H. A. Nedom	Amerada Petroleum Corporation Post Office Box 2040 Tulsa, Oklahoma 74102	Vice-President
Donald E. Ramsey	Amerada Petroleum Corporation 51 West 51 Street New York, New York 10019	Secretary
Kenneth G. Reed	Amerada Petroleum Corporation Post Office Box 2040 Tulsa, Oklahoma 74102	Senior Vice-President
Robert J. Stanton	Amerada Petroleum Corporation Post Office Box 2040 Tulsa, Oklahoma 74102	Senior Vice-President
Fred Sturzenacker	Amerada Petroleum Corporation 51 West 51 Street New York, New York 10019	Treasurer
Albert Taylor	Amerada Petroleum Corporation Post Office Box 2040 Tulsa, Oklahoma 74102	Vice-President
B. B. Weatherby	806 Beacon Building Tulsa, Oklahoma 74103	Director
Robert M. Youngs	The Louisiana Land and Exploration Company 121 West 50 Street New York, New York 10020	Director

PRINCIPAL OCCUPATIONS DURING PAST FIVE YEARS

C. S. AGEY
Vice-President of the Company.

R. J. BURNS
Vice-President of the Company.

WILLARD H. CARR
President, Carr Brothers, Inc. (Investments).

C. N. CLARK
Auditor of the Company since July 12, 1967; previously an employee of the Company.

JOHN P. HAMMOND
Executive Vice-President of the Company since July 12, 1967; previously Senior Vice-President of the Company.

A. T. JACOBSON
President of the Company since July 12, 1967; Executive Vice-President of the Company from March 15, 1963 to July 12, 1967; Senior Vice-President of the Company from September 26, 1962 to March 15, 1963.

R. KEITH KANE
Partner, Cadwalader, Wickersham & Taft (Lawyers).

GRANT KEEHN
Vice-Chairman of the Board, The Equitable Life Assurance Society of the United States since February 16, 1967; President of The Equitable Life Assurance Society of the United States from February 20, 1964 to February 16, 1967; Senior Vice-President of The Equitable Life Assurance Society of the United States from November 20, 1958 to February 20, 1964.

K. M. LAWRENCE
Vice-President of the Company.

J. E. LOW
Vice-President of the Company.

DEAN MATHEY

Honorary Chairman of the Board of Trustees, The Bank of New York since December 7, 1966; Chairman of the Executive Committee, Empire Trust Company from January 11, 1963 to December 7, 1966; Chairman of the Board of Directors, Empire Trust Company from 1945 to January 11, 1963.

E. H. McCOLLOUGH

Chairman of the Board of Directors of the Company since July 12, 1967; previously President of the Company.

KENNETH R. MURRAY

Controller of the Company.

H. A. NEDOM

Vice-President of the Company since January 4, 1965; previously an employee of the Company.

DONALD E. RAMSEY

Secretary of the Company since March 9, 1966; previously Assistant Secretary and Assistant Treasurer of the Company.

KENNETH G. REED

Senior Vice-President of the Company since July 12, 1967; Vice-President of the Company from June 26, 1963 to July 12, 1967; prior to that, an employee of the Company.

ROBERT J. STANTON

Senior Vice-President of the Company since June 29, 1966; previously Vice-President and General Counsel of the Company.

DISTRIBUTION OF CAPITAL STOCK AS OF OCTOBER 16, 1967

<u>Number of Holders</u>			<u>Number of Shares</u>
7,913	1 —	99	243,115
2,930	100 —	199	323,493
2,327	200 —	499	603,409
591	500 —	999	392,031
629	1,000 —	4,999	1,254,039
118	5,000 —	9,999	858,869
76	10,000 —	24,999	1,196,259
24	25,000 —	49,999	805,498
24	50,000 —	99,999	1,593,292
20	100,000 —	and up	5,535,455
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14,652			12,805,460
1	Treasury		1,947,740
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14,653			14,753,200
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Certified Correct:

By "H. SZYMANSKI"

Transfer Agent
Bank of New York
Assistant Corporate Trust Officer

FINANCIAL STATEMENTS

AMERADA PETROLEUM CORPORATION AND SUBSIDIARIES CONSOLIDATED BALANCE SHEET

Expressed in U.S. Dollars

ASSETS

	December 31, 1966	December 31, 1965
CURRENT ASSETS:		
Cash (including certificates of deposit)	\$ 66,857,992	\$ 42,117,418
United States short-term and Canadian Government securities, at cost which approximates market value	16,220,562	16,785,249
Accounts receivable	86,727,124	42,255,045
Inventories:		
Stocks of crude oil and gas plant products, at lower of cost or market	1,048,780	1,925,841
Warehouse materials and supplies, at cost or lower	5,728,883	7,716,067
Total current assets	176,583,341	110,799,620
INVESTMENTS:		
Stock of The Louisiana Land and Exploration Company, 978,000 shares, at cost (value on basis of market quotation: December 31, 1966, \$57,579,750; December 31, 1965, \$48,288,750)	59,246	59,246
Investment in and advances to Esperanza Petroleum Corporation (unconsolidated subsidiary), at cost less reserve	1,114,000	3,926,000
Other	890,958	887,218
Total investments	2,064,204	4,872,464
DEFERRED RECEIVABLES, ETC.	4,665,176	5,334,890
PROPERTIES, PLANT AND EQUIPMENT:		
Lands, wells and equipment:		
Developed and undeveloped lands, at cost plus intangible drilling and development costs	425,713,290	434,729,118
Crude oil and natural gas production equipment	194,019,935	195,793,900
	619,733,225	630,523,018
Other property, plant and equipment	39,849,272	52,072,442
	659,582,497	682,595,460
Less reserves for intangible drilling and development costs, depreciation, depletion, etc.	466,007,245	456,856,998
Net property, plant and equipment	193,575,252	225,738,462
	\$376,887,973	\$346,745,436
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	\$ 17,335,381	\$ 19,084,090
Accrued taxes	34,986,758	36,115,932
Total current liabilities	52,322,139	55,200,022
RESERVES:		
Insurance	689,432	691,333
Contingencies (Note 2)	—	6,238,606
Total reserves	689,432	6,929,939
STOCKHOLDERS' EQUITY:		
Capital stock:		
Authorized:		
16,000,000 shares of no par value		
Issued:		
14,753,200 shares (including treasury stock of 1,978,265 shares at December 31, 1966, and 1,995,620 shares at December 31, 1965 — net outstanding stock 12,774,935 shares at December 31, 1966, and 12,757,580 shares at December 31, 1965)	13,581,375	13,581,375
Capital surplus (arising from sale of treasury stock under the incentive stock option plan)	6,570,005	5,810,651
Earnings retained in business	306,163,181	267,682,998
	326,314,561	287,075,024
Less treasury stock (1,978,265 shares at December 31, 1966, and 1,995,620 shares at December 31, 1965) reacquired — at cost	2,438,159	2,459,549
Total stockholders' equity	323,876,402	284,615,475
	\$376,887,973	\$346,745,436

See accompanying Notes to Financial Statements.

AMERADA PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
FOR THE FIVE YEARS ENDED DECEMBER 31, 1966
Expressed in U.S. Dollars

	YEARS ENDED DECEMBER 31				
	1966 (Note 1)	1965	1964	1963	1962
Sales and other operating income	\$190,984,588	\$208,874,753	\$163,537,001	\$137,905,785	\$113,970,647
Costs and expenses:					
Cost of producing, operating, etc.	36,096,404	43,501,354	32,619,524	24,676,122	18,832,773
Geophysical, geological and administrative expenses, lease rentals, taxes (other than income taxes), etc.	34,857,739	36,793,900	34,400,629	33,246,067	31,436,556
Intangible drilling and development costs	15,915,812	20,578,659	22,061,192	20,541,631	16,713,219
Depreciation, depletion and lease relinquishments	16,319,190	19,847,087	15,203,726	14,263,201	14,890,398
Total costs and expenses	103,189,145	120,721,000	104,285,071	92,727,021	81,872,946
Net operating income	87,795,443	88,153,753	59,251,930	45,178,764	32,097,701
Non-operating income	6,314,308	4,167,229	3,358,978	2,710,441	2,706,581
Income before taxes	94,109,751	92,320,982	62,610,908	47,889,205	34,804,282
Provision for income taxes (Note 4)	34,013,000	35,092,000	11,028,000	6,269,000	1,294,000
Income before extraordinary items	60,096,751	57,228,982	51,582,908	41,620,205	33,510,282
Extraordinary items, after provision for income tax (Note 1)	14,764,740	—	—	—	—
Net income	\$ 74,861,491	\$ 57,228,982	\$ 51,582,908	\$ 41,620,205	\$ 33,510,282
Per share of Common Stock outstanding at end of year (*):					
Income before extraordinary items	\$ 4.70	\$ 4.49	\$ 4.05	\$ 3.28	\$ 2.65
Extraordinary items	1.16	—	—	—	—
Net income	\$ 5.86	\$ 4.49	\$ 4.05	\$ 3.28	\$ 2.65
Cash dividends per share (*)	\$ 2.85	\$ 2.50	\$ 2.10	\$ 1.85	\$ 1.50
Shares of Common Stock outstanding at the end of year (*)	12,774,935	12,757,580	12,727,120	12,670,110	12,643,660

(*) After giving effect to the two-for-one stock split in May, 1963.

See accompanying Notes to Financial Statements.

AMERADA PETROLEUM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF EARNINGS RETAINED IN BUSINESS
FOR THE FIVE YEARS ENDED DECEMBER 31, 1966

Expressed in U.S. Dollars

	1966	1965	1964	1963	1962
BALANCE, BEGINNING OF YEAR	\$267,682,998	\$242,322,989	\$217,420,754	\$199,219,699	\$184,664,767
INCOME before extraordinary items	60,096,751	57,228,982	51,582,908	41,620,205	33,510,282
EXTRAORDINARY ITEMS, after provision for income tax	14,764,740	—	—	—	—
	74,861,491	57,228,982	51,582,908	41,620,205	33,510,282
	342,544,489	299,551,971	269,003,662	240,839,904	218,175,049
CASH DIVIDENDS PAID	36,381,308	31,868,973	26,680,673	23,419,150	18,955,350
BALANCE, END OF YEAR	\$306,163,181	\$267,682,998	\$242,322,989	\$217,420,754	\$199,219,699

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1. Extraordinary items:

Effective January 1, 1966, Amerada assigned an undivided half interest in its Libyan holdings and properties to a company of the Royal Dutch/Shell Group. The Consolidated Statement of Income for 1966 reflects the effects of the completion of the Shell transaction, which were to reduce not only gross operating income, but also costs and expenses resulting from Shell's bearing directly in 1966 about one half of these charges with respect to Libya. Such charges were formerly borne by Amerada. Were it not for the fact that Shell now bears directly its share of Libyan taxes, tax charges for 1966 would have been substantially higher than for 1965, even if taxes for 1965 had not been reduced by the \$11,065,000 of special tax credits mentioned in Note 4. Under the agreement with Shell, Amerada received the same total profit on its share of the joint Libyan production in 1966 as it would have received on the total production if this had been produced for Amerada's sole account and sold to Shell as was done in prior years when Shell had no ownership interest in the production. As part of the transaction, Shell agreed to reimburse Amerada \$64,082,892, representing approximately one half of its applicable expenditures in Libya from the beginning of operations in 1955 to January 1, 1966. Because a portion of these expenditures was charged to earnings in the years previous to 1966, the reimbursement resulted in credits in 1966 constituting the major portion of the extraordinary items of \$14,764,740 after provision for income taxes of \$13,794,977.

2. Reserve for Contingencies:

The reserve for contingencies which was established in prior years from earnings was eliminated in 1966 by transfers of \$1,800,000 to reserve for investment in and advances to Esperanza Petroleum Corporation (unconsolidated subsidiary), \$2,500,000 to an accrual for income taxes for prior years, and \$1,938,606 to extraordinary income items.

3. Capital Stock and Stock Option Plan:

Under the stock option plan approved by the stockholders in 1952 there were outstanding at January 1, 1966 options to certain officers and key employees to purchase 85,280 shares of stock of the Corporation. During the year, options for 17,355 shares were exercised. At December 31, 1966, options to purchase 67,925 shares were outstanding. The plan provided that no options would be granted after June 1, 1962; therefore, no shares were available for the granting of options at the year-end. The options outstanding on December 31, 1966 are exercisable for periods up to 10 years from date of grant and were granted at the following prices and dates: 11,600 at \$63.00 on May 22, 1957; 33,725 at \$39.40 on April 25, 1961; 2,800 at \$50.95 on April 9, 1962; 19,800 at \$44.80 on May 28, 1962.

4. Provision for Income Taxes:

The large increase in 1965 in the provision for income taxes resulted primarily from changes in the Libyan petroleum tax laws and from an increase in Amerada's total Libyan production. However, the provision for 1965 reflects (a) a credit of \$5,211,000 representing a refund due Amerada resulting from a carry-back against 1964 United States income tax of allowable foreign tax credit generated by 1965 operations; and (b) a credit of \$5,854,000 representing a reduction of 1965 Libya income tax through utilization in full of a tax credit carryover from 1964. All such carryover credits were exhausted in 1965.

5. Contingent Liabilities:

Sundry lawsuits and claims were pending at December 31, 1966 arising from operations ordinary and routine in the oil and gas producing industry, in respect of which no special provision for possible liability is considered necessary.

SYNOPSIS OF ACCOUNTING PRACTICES

All intangible drilling and development costs incurred are charged against income each year through a 100% reserve, except those applicable to productive wells in the Kingdom of Libya and the United Kingdom portion of the North Sea. The intangible drilling and development costs of productive wells in the Kingdom of Libya are amortized through charges against income under the "straight-line" method and similar costs with respect to the United Kingdom portion of the North Sea will also be amortized on the "straight-line" method commencing with the first year in which production and income are obtained from such wells.

All geological and geophysical expenses are charged against income as incurred. Lease rentals are charged off in full when paid.

Nearly all the Corporation's production is obtained from properties acquired prior to the discovery of oil or gas thereon. Properties that become productive are still carried in the accounts at cost, less depletion, and consequently the increase in value resulting from the discovery of oil or gas is not reflected in the Balance Sheet. The cost of each producing property is amortized by annual charges for depletion in the proportion which the production for the year bears to the estimated recovery of oil or gas, calculated separately for each property, except for costs applicable to producing fields in Libya which are amortized through charges against income under the "straight-line" method.

Unproductive and undeveloped properties are carried in the accounts at cost, which cost is written off in full when properties are surrendered or otherwise disposed of, except in certain cases where properties are written off prior to formal relinquishment.

The annual depreciation charge applicable to equipment used on producing wells is computed separately for each property, in the same manner as depletion is computed for such property. The depreciation charge on all other equipment is computed on the "straight-line" method, at annual rates commensurate with the estimated useful life of each of the various kinds of equipment in use.

The cost of properties, plant and equipment retired or otherwise disposed of, less depreciation or other reserves accumulated thereon, is charged against income. All expenditures for maintenance and repairs are also charged against income.

These accounting practices are followed with respect to both domestic and international operations except where noted above.

OPINION OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Amerada Petroleum Corporation:

We have examined the consolidated balance sheet of Amerada Petroleum Corporation and its subsidiary companies as of December 31, 1966 and the related consolidated statement of income and consolidated statement of earnings retained in business for the five years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. As to the Libyan operations of Amerada Petroleum Corporation of Libya, we were furnished with reports of other independent public accountants on their examination of the financial statements covering such operations of that subsidiary for the three years ended December 31, 1966.

In our opinion, based on our examination and the report of independent public accountants referred to above, the accompanying financial statements present fairly the financial position of the Companies at December 31, 1966 and the results of their operations for the five years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

HASKINS & SELLS

March 1, 1967

AMERADA PETROLEUM CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

AS AT SEPTEMBER 30, 1967 (UNAUDITED)

Expressed in U.S. Dollars

ASSETS

CURRENT ASSETS:

Cash (including certificates of deposit)	\$ 95,214,465
United States short-term and Canadian Government securities, at cost which approximates market value	16,661,268
Accounts receivable	47,738,643
Inventories:	
Stocks of crude oil and gas plant products, at lower of cost or market	1,317,182
Warehouse materials and supplies, at cost or lower	6,669,730
Total current assets	<u>167,601,288</u>

INVESTMENTS:

Stock of The Louisiana Land and Exploration Company, 978,000 shares, at cost (value on basis of market quotation September 30, 1967, \$61,980,750)	59,246
Investment in and advances to Esperanza Petroleum Corporation (unconsolidated subsidiary), at cost less reserve	1,114,000
Other	891,578
Total investments	<u>2,064,824</u>

DEFERRED RECEIVABLES, ETC.	<u>5,953,539</u>
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PROPERTIES, PLANT AND EQUIPMENT:

Lands, wells and equipment:	
Developed and undeveloped lands, at cost plus intangible drilling and development costs	451,053,814
Crude oil and natural gas production equipment	202,226,063
	<u>653,279,877</u>
Other property, plant and equipment	41,906,200
	<u>695,186,077</u>
Less reserves for intangible drilling and development costs, depreciation, depletion, etc.	483,887,517
Net property, plant and equipment	<u>211,298,560</u>
	<u><u>\$386,918,211</u></u>

LIABILITIES

CURRENT LIABILITIES:

Accounts payable	\$ 19,028,362
Accrued taxes	26,951,569
Total current liabilities	<u>45,979,931</u>

RESERVES FOR INSURANCE	<u>697,885</u>
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STOCKHOLDERS' EQUITY:

Capital stock:	
Authorized:	
16,000,000 shares of no par value	
Issued:	
14,753,200 shares (including treasury stock of 1,948,140 shares — net outstanding stock 12,805,060 shares)	13,581,375
Capital surplus (arising from sale of treasury stock under the incentive stock option plan)	8,032,982
Earnings retained in business	321,027,069
	<u>342,641,426</u>
Less treasury stock (1,948,140 shares reacquired — at cost)	2,401,031
Total stockholders' equity	<u>340,240,395</u>
	<u><u>\$386,918,211</u></u>

AMERADA PETROLEUM CORPORATION AND SUBSIDIARIES
STATEMENT OF CONSOLIDATED INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1967 (UNAUDITED)
Expressed in U.S. Dollars

Gross operating income	....	....	....	....	....	....	....	....	\$151,859,436
Operating, geophysical, geological and administrative expenses, lease rentals, taxes other than income taxes, etc.	....	....	....	....	....	....	....	....	56,031,974
Operating income	....	....	....	....	....	....	....	....	95,827,462
Other income	....	....	....	....	....	....	....	....	6,078,137
Profit before providing for intangible drilling and development costs, depreciation, depletion, leases abandoned and expired and income taxes	....	....	....	....	....	....	....	....	101,905,599
Deduct:									
Provisions for intangible drilling and developments costs, depreciation, depletion and leases abandoned and expired	....	....	....	....	....	....	....	....	29,855,514
Profit before provision for income taxes	....	....	....	....	....	....	....	....	72,050,085
Deduct:									
Provision for income taxes	....	....	....	....	....	....	....	....	28,402,000
Net income	....	....	....	....	....	....	....	....	\$ 43,648,085
Per share on net outstanding stock	....	....	....	....	....	....	....	....	\$ 3.41

CERTIFICATE

Pursuant to a resolution duly passed by the Executive Committee of its Board of Directors, Amerada Petroleum Corporation hereby applies for listing of the above mentioned securities on The Toronto Stock Exchange, and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

AMERADA PETROLEUM CORPORATION

by "A. T. JACOBSON",
President

by "DONALD E. RAMSEY",
Secretary

New York, New York
December 27, 1967

